Document No. 3989
Voted at Meeting of 9/18/80

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION OF ON LUCK HOUSING DEVELOPMENT FOR THE AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER.ED.) CHAPTER 121A AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, TO BE UNDERTAKEN AND CARRIED OUT BY A CHARITABLE CORPORATION ORGANIZED PURSUANT TO M.G.L., C. 180, AND APPROVAL TO ACT AS AN URBAN REDEVELOPMENT CHARITABLE CORPORATION UNDER SAID CHAPTER 121A.

A. The Hearing. A public hearing was held at 2:00 p.m. on July 17, 1980, in the offices of the Boston Redevelopment Authority (hereinafter called the "Authority"), at City Hall, Room 921, Boston, Massachusetts 02201, by the Authority on an Application dated , 1980, (hereinafter called the "Application"), filed by On Luck Housing Development, for authorization and approval of a redevelopment project under Chapter 121A of the General Laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, as amended, (hereinafter called the "Project"), due notice of said hearing having been given previously by publication on July 7, 1980, and July 14, 1980, in the Boston Herald American, a daily newspaper of general circulation published in Boston and mailing postage prepaid in accordance with Rule 4 of the Rules and Regulations of the Authority for securing approval of Chapter 121A projects, and in accordance with the provisions of Section 13 of Chapter 652 of the Acts of 1960, as amended. Robert L. Farrell, Chairman of the Authority, James G. Colbert, Joseph J. Walsh, James K. Flaherty and James E. Cofield, Jr., members of the Authority, were present at the hearing.

B. The Project. The proposed development area is a parcel of land located in the area of Downtown Boston known as the Combat Zone, 25-31 Essex Street, formerly the Izzy Ort's Golden Nugget and then

the Normandy Lounge. A full metes and bounds description can be found in Exhibit 3 to the Application.

The Greater South Cove Golden Age Center is the present owner of the parcel, the sole owner of the Applicant, and will convey the property to the Applicant just prior to closing the HUD loan. The former owners have no interest in the project other than an outstanding note, taken back at the time of purchase presently in the amount of $25,733.86.

The Project consists of the acquisition of the Project Area and the rehabilitation of the Project Area, a 63-foot high building so that it will contain 18 efficiency and 10 one-bedroom units plus approximately 2000 square feet of space for community facilities and congregate dining facilities for the Chinese elderly. The exterior of the building will be left unchanged except for a greenhouse garden kitchen in the rear and some changes in the entryway. The interior will be completely gutted and replaced. Attached to the Application as Exhibit 13 is a site plan for the Project Area, and Exhibit 14 to the Application contains typical elevation plans for the building showing generally the character and quality of the construction to be used.

C. Authority Action. In passing upon the Application, the Authority has considered the Application itself, all documents, plans and exhibits filed therewith or referred to therein, the oral evidence presented at the hearing, the exhibits offered in evidence at the hearing, and arguments and statements made at the hearing.

D. Project Area. The Project as defined in the Application constitutes a "Project" within the meaning of Section 1 of Chapter 121A of the General Laws, providing, as it does, for the acquisition, rehabilitation and construction in a substandard and decadent area of decent, safe,

and sanitary housing for low income Chinese elderly individuals.

The Project Area is a decadent, substandard area as defined in c. 121A. It lies within the so-called "Combat Zone", as such limits are established in both popular usage and the Boston Zoning Map "Special Entertainment District". The building is boarded up and derelict, having been unoccupied for at least four years. Before that it was used as a bar and lounge known as the "Normandy Lounge", formerly "Izzy Ort's Golden Nugget", with unknown uses on the upper floors. The building is in a dangerous state of disrepair. It needs completely new plumbing, heating and electrical systems, and the roof and masonry need extensive repair. None of this work can be accomplished by the normal workings of the real estate market because of the extremely derelict condition of the building, its small scale, making renovation relatively expensive, and the location of the property. Moreover, the building is architecturally significant with a handsome Victorian gothic stone facade, and any redevelopment should respect its character, increasing the expense of development.

The Site would not be developed without the real estate taxes being limited to a percentage of the project's estimated gross annual income, evidenced by the requirement of the mortgage lender attached to the Application. Percentage levels as a basis for taxation can only be lawfully agreed to by the City of Boston under G.L. Chapter 121A and Chapter 6A. These conditions and other factors referred to in the Application and this Report and Decision warrant the carrying out of the Project in accordance with Chapter 121A.

For these reasons it is found that the Project Area is a decadent and substandard area within the meaning of Chapter 121A, as amended. It is unlikely that the conditions will be remedied by the ordinary operations of private enterprise.

The Project will provide substantial financial return to the City of Boston. The amounts to be paid in lieu of real estate taxes by the Applicants are set forth in the Application. There shall be paid to the City of Boston a percentage payment in lieu of real estate taxes, in each of the forty (40) calendar years after approval of the Project.

The Authority is aware that substantial real estate tax arrearages exist for the properties within the Project Area and that the Applicant is in the process of negotiating with the Commissioner of Assessing for the City of Boston for abatement of such arrearages. The approval of the Project granted by the Authority is conditioned upon:

(1) the placement in excrow by On Luck Housing Development with an escrow agent satisfactory to the Authority of an amount equal to the reaminder of unpaid real estate taxes, together with an amount sufficient to cover such interest as may accrue within nine months, such amount shall be in a form acceptable to the Director of the Authority; and

(2) the payment in or within nine months from the date of initial closing for the mortgage loan of the Project of all amounts of outstanding real estate taxes, plus interest. In the event that the conditions contained in this paragraph are not complied with, then the action of the Board is null and void, without further action on the part of the Authority.

E. Cost of the Project. In the opinion of the Authority, the cost of the Project has been realistically estimated in the Application and the Project is practicable.

The Project will be financed by a 100% direct loan and mortgage from the U. S. Department of Housing and Urban Development ("HUD") under the section 202 program, together with 100% section 8 rental assistance for the term of the mortgage. The benefits of c. 121A are necessary for the reasons described in section 2(b) above.

The structure of the entity which will undertake the Project has been described in Exhibit A to the Application. A loan in the amount of $1,266,800 has been finally approved (see HUD Form 2013 and letter attached to the Application as Exhibit 8). The Applicant will be the sole owner of the Project.

The following are all the persons, natural or corporate, who, prior to the completion of the Project, have or will have, directly or indirectly, any ownership interest in the Project:

On Luck Housing Development, Inc.
President: Hugh Tung Chu
Treasurer: Wong Chaw Lai
Secretary: Kang Chow Wong

Experience with similar financing and organization methods persuades the Authority that the financial program is realistic.

Unless prevented or delayed by circumstances not reasonably within the control of the Applicant, construction will commence within two (2) months of approval by the Authority and be complete twelve months thereafter.

F. Consistence with Master Plan. The proposed Project is in compliance with the Master Plan for the City of Boston and the District Profile and Proposed 1978-1980 Neighborhood Improvement Program published by the Boston Redevelopment Authority, summer, 1977. Because the Project would restore a derelict building to occupancy, rehabilitate an existing landmark, without any displacement of tenants, would represent a reduction in the area of the Combat Zone, and would provide much needed housing for

the elderly in the neighborhood, it is consistent with the most suitable development of the City.

G. Effect of the Project. The Project will not be in any way detrimental to the best interests of the public or the City of Boston or to the public safety and convenience and is not inconsistent with the most suitable development of the Project Area neighborhood or of the City. The Project will, in fact, forward the best interest of the City and will constitute a public use and benefit. The Plans of the structure to be rehabilitated within the Project Area have been reviewed by the Design Review Staff of the Authority. The Authority finds that this Project will enhance the general appearance of the area and will furnish much needed low income elderly housing to the Chinatown residents of the City. The Project will have a positive economic impact on the neighborhood surrounding the Project Area and on the City of Boston. During construction of the Project, the Applicant will be required, to the best of its ability, to grant preference in hiring to Boston residents. These employment opportunities will constitute a public use and benefit.

H. Environmental Considerations. Pursuant to the provisions of regulations implementing the Massachusetts Environmental Policy Act, 301 CMR 10.32 (3) (h), the Project has been categorically excluded from the filing of any environmental report.

In order to avoid or minimize any damage to the environment, the Authority hereby requires that the applicant comply with the City of Boston Air Pollution Control Commission's Regulations for the Control of Noise and Regulations for the Control of Atmospheric Pollution during all phases of construction activity. Furthermore, if the rehabilitation involves any abrasive blasting, the contractor must submit an application for an Abrasive Blasting Permit to the City of Boston Air Pollution Control Commission prior to initiation of such activity. However, in compliance with the historic preservation guidelines of the Secretary of the

Interior, no abrasive blasting of exterior surfaces shall be permitted.

I. Minimum Standards. The minimum standards for financing, construction, maintenance and management of the Project as set forth in Exhibit 6 to the Application, are hereby adopted and imposed as Rules and Regulations (in addition to those hereinafter adopted and imposed) applicable to this Project for the same period as the Project is subject to the provisions of chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, as amended.

In addition to the minimum standards set forth in Exhibit 6 the Authority hereby requires that the Applicants, prior to obtaining a building permit, (1) enter into a Regulatory Agreement with the Authority pursuant to the requirements of General Laws, Chapter 121A Section 18C, and containing such other terms and conditions as the Authority may in its discretion deem necessary appropriate; (2) submit to the Authority for its review and approval all plans and specifications for the Project as the Authority may require and accept such changes and modifications thereto as the Authority may deem necessary or appropriate, and (3) adhere to such design review controls and requirements as the Authority may in its discretion impose.

The carrying out of the Project by the 121A Charitable Corporation will not involve the rehabilitation of any building which is presently occupied in whole or in part but rather involves vacant dwellings.

The Project Area does not include any land within a location approved the Department of Public Works for the extension of the Massachusetts Turnpike.

The carrying out of the Project will not require the grant of a permit for the erection, maintenance and use of a garage within 500 feet of one or more buildings occupied in whole or in part as a public or private school having more than 50 pupils, or as a public or

private hospital having more than 25 beds, or as church.

The Project does not involve the construction of units which constitute a single building under the State Building Code and zoning laws, G.L. c. 138, therefore the Project will not require a declaration that any of the buildings involved in the rehabilitation constitute a separate building for the purpose of the above-referred to law.

J. Zoning Code Deviations. The project will require the granting of certain deviations from the Boston Zoning Code as found in Exhibit 11 attached to the Application and Exhibit A attached hereto, in particular the allowance of zero parking spaces, and deviations from minimum requirements for usable open space, minimum front and side yards. These deviations are hereby granted without substantially derogating from the intent of the Boston Zoning Code as the Project's projected population will have similar space within the building and no projected eed for parking.

K. Duration of Period of Tax Exemption. The Applicant requests an extension of twenty-five (25) years to the base term of fifteen (15) calendar years for the Project's period of tax exemption pursuant to the provisions of Section 10 of Chapter 121A as amended by Chapter 827 of the Acts of 1975.

The Project is designed for housing for low income elderly persons which housing shall be subsidized under federal programs to assist the construction/rehabilitation of low or moderate income housing.

L. Decision. For all the reasons set forth in the foregoing Report and Decision the Authority hereby approves the undertakings by the Applicant of the Project pursuant to Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, subject to the provisions as set forth above.

Exhibit A

Zoning Deviations Requested

	Present Zoning Requirements	Proposed Building Provides	Deviation or Change Requested
;able Open ›ace:	50 sq ft per dwelling unit or 1,400 sq ft total (section 13-4)	34.64 sq ft per unit, or 970 sq ft total	30 sq ft per unit
se:	Restaurant	Multifamily Dwelling	Multifamily Dwelling (Use Item 7)
ide Yard:	Zero for first 70 ft, thereafter 10.1 feet (section 19-4)	None for approximately 75 ft	Zero for full depth of existing building

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MEMORANDUM SEPTEMBER 18, 1980

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: CHAPTER 121A APPLICATION OF ON LUCK HOUSING DEVELOPMENT

On July 17, 1980, the Authority conducted a public hearing to consider the above-captioned 121A Application.

The Project consists of the acquisition of the Project Area from the Greater South Cove Golden Age Center, rehabilitation, operation and maintenance of the parcel into 18 efficiency and 10 one-bedroom housing units plus 2000 square feet of community space for the Chinese elderly. The parcel is located in the section of Boston known as the Combat Zone in Downtown Boston, 25-31 Essex Street.

Authority staff has examined the Application and found that it contained sufficient evidence in support of the Project to make those findings and determinations necessary to proceed with the approval of the Project.

It is therefore recommended that pursuant to Chapter 121A of the General Laws, the Authority adopt the Report and Decision approving the Project.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "Report and Decision on the Application of On Luck Housing Development for the Authorization and Approval of a Project under Massachusetts General Laws (Ter.Ed.) Chapter 121A, as Amended, and Chapter 652 of the Acts of 1960, to be Undertaken and Carried Out by a Charitable Corporation Organized Pursuant to M.G.L. c.180 and Approval to Act as an Urban Redevelopment Charitable Corporation Under said Chapter 121A" be and hereby is approved and adopted.